



OUE LIMITED

(Company Registration No. 196400050E)

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2020 (UNAUDITED)

Item No.	TABLE OF CONTENTS Description	Page No.
1 (a)(i)	Statement of Comprehensive Income	2
1 (a)(ii)	Explanatory Notes to Statement of Comprehensive Income	3 – 5
1 (b)(i)	Statements of Financial Position	6 – 7
1 (b)(ii)	Group's Borrowings and Debt Securities	7
1 (c)	Consolidated Statements of Cash Flows	8 – 9
1 (d)(i)	Statement of Changes in Equity	10 – 12
1 (d)(ii)	Changes in the Company's Issued Share Capital	13
1 (d)(iii)	Total Number of Issued Shares	13
1 (d)(iv)	Changes in the Company's Treasury Shares	13
2 & 3	Audit Statement	13
4 & 5	Accounting Policies	14
6	Earnings per Share	14
7	Net Asset Value per Share	14
8	Review of Performance	15 – 16
9	Variance from Prospect Statement	16
10	Outlook and Prospect	16 – 17
11 & 12	Dividend	17
13	Interested Person Transactions	17
14	Confirmation pursuant to Rule 720(1) of the Listing Manual	18
15	Negative confirmation pursuant to Rule 705(5) of the Listing Manual	18

1(a)(i) Statement of Comprehensive Income

	Notes	The Group		Change %
		Half year ended 30/06/20 \$'000	Half year ended 30/06/19 \$'000	
Revenue	A	311,416	432,607	(28.0)
Cost of sales		(189,999)	(278,087)	(31.7)
Gross profit		121,417	154,520	(21.4)
Marketing expenses		(5,657)	(10,029)	(43.6)
Administrative expenses	B	(48,582)	(65,177)	(25.5)
Other operating expenses		(5,928)	(5,808)	2.1
Share of results of equity-accounted investees, net of tax	C	63,806	29,848	>100.0
		125,056	103,354	21.0
Finance expenses	D	(69,516)	(94,969)	(26.8)
Finance income	E	16,390	7,402	>100.0
Other (losses)/gains - net	F	(305,709)	89,995	n.m.
(Loss)/Profit before tax	G	(233,779)	105,782	n.m.
Tax credit/(expense)	H	47,427	(21,574)	n.m.
(Loss)/Profit after tax		(186,352)	84,208	n.m.
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign operations:				
- currency translation differences		32,342	(9,664)	n.m.
Share of other comprehensive income of equity-accounted investees:				
- currency translation differences		(1,420)	(7,532)	(81.1)
- other reserves		(99)	(683)	(85.5)
Cash flow hedges:				
- effective portion of changes in fair value of cash flow hedges		(33,314)	(3,929)	>100.0
- hedging reserve reclassified to profit or loss		48	(377)	n.m.
		(2,443)	(22,185)	(89.0)
Items that will not be reclassified subsequently to profit or loss:				
Share of other reserves of an equity-accounted investee		-	3,334	(100.0)
Net change in fair value of investments at fair value through other comprehensive income, net of tax	F(ii)(b)	(4,789)	149,586	n.m.
		(4,789)	152,920	n.m.
Other comprehensive income, net of tax		(7,232)	130,735	n.m.
Total comprehensive income for the period		(193,584)	214,943	n.m.
Profit attributable to:				
Owners of the Company		(207,163)	61,890	n.m.
Non-controlling interests		20,811	22,318	(6.8)
		(186,352)	84,208	n.m.
Total comprehensive income attributable to:				
Owners of the Company		(202,693)	194,419	n.m.
Non-controlling interests		9,109	20,524	(55.6)
		(193,584)	214,943	n.m.

n.m.: Not meaningful

1 (a)(ii) Explanatory Notes to Statement of Comprehensive Income

A) Revenue

	Half year ended 30/06/20 \$'000	Half year ended 30/06/19 \$'000	Change %
Investment properties income	141,566	138,991	1.9
Hospitality income	49,638	110,706	(55.2)
Development property income	98,532	158,297	(37.8)
Healthcare income	14,920	15,173	(1.7)
Consumer income	5,140	9,348	(45.0)
Others	1,620	92	>100.0
	<u>311,416</u>	<u>432,607</u>	(28.0)

B) Administrative expenses

Administrative expenses decreased by \$16.6 million to \$48.6 million for 1H 2020. The decrease was mainly due to lower legal and professional fees and absence of impairment of trade receivables made in 1H 2019.

C) Share of results of equity-accounted investees

Share of results of equity-accounted investees increased by \$34.0 million to \$63.8 million for 1H 2020. The increase was mainly due to full six months of contribution from Gemdale Properties and Investment Corporation Limited ("Gemdale"), which became an associate with effect from 31 May 2019. This was partially offset by absence of contribution from OUE Hospitality Trust (OUE H-Trust) in 1H 2020 subsequent to OUE H-Trust becoming a subsidiary of the Group due to the merger of OUE H-Trust and OUE Commercial Real Estate Investment Trust ("OUE C-REIT") on 4 September 2019 (the "Merger").

In 1H 2020, the Group completed the purchase price allocation exercise on the acquisition of additional equity stake of Gemdale in May and August 2019. Accordingly, negative goodwill of \$2.1 million which was previously recognised in 2019 was reversed via share of results of equity-accounted investees in the current year.

D) Finance expenses

	Notes	Half year ended 30/06/20 \$'000	Half year ended 30/06/19 \$'000	Change %
Borrowing costs		66,761	70,527	(5.3)
Finance expenses on lease liabilities	(i)	441	17,228	(97.4)
Net foreign exchange loss		-	6,902	(100.0)
Unwinding of discount of non-current rental deposits		83	83	-
Change in fair value of financial derivatives		2,183	-	n.m.
Hedging reserve reclassified from equity	(ii)	48	229	(79.0)
		<u>69,516</u>	<u>94,969</u>	(26.8)

- (i) Finance expense on lease liabilities pertain to the amortisation of lease liabilities over the lease period. The decrease was mainly due to the absence of finance expenses on lease liabilities relating to the master lease agreements with OUE Hospitality Sub-Trust (previously known as OUE H-REIT), to lease and operate Mandarin Orchard Singapore ("MOS") and Crowne Plaza Changi Airport ("CPCA").

1 (a)(ii) Explanatory Notes to Statement of Comprehensive Income

In 2019, the finance expenses on lease liabilities mainly relate to the period when OUE H-Trust was still an associate of the Group. Subsequent to the Merger, OUE H-Trust became a subsidiary of the Group and the master lease agreements with OUE Hospitality Sub-Trust ceased to exist for accounting purposes in the consolidated financial statements as these master lease agreements represent intra-group relationships.

- (ii) Hedging reserve reclassified from equity pertains to the cumulative net fair value movements of certain interest rate swaps and was reclassified to profit or loss due to the discontinuation of hedge accounting.

E) Finance income

	Half year ended 30/06/20 \$'000	Half year ended 30/06/19 \$'000	Change %
Interest income	3,103	4,153	(25.3)
Net foreign exchange gain	10,606	-	n.m.
Ineffective portion of changes in fair value of cash flow hedges	2,522	1,638	54.0
Change in fair value of financial derivatives	-	766	(100.0)
Others	159	845	(81.2)
	<u>16,390</u>	<u>7,402</u>	>100.0

F) Other (losses)/gains – net

	Notes	Half year ended 30/06/20 \$'000	Half year ended 30/06/19 \$'000	Change %
Reversal of impairment loss on a development property		-	198	(100.0)
Net change in fair value of investment properties	(i)	(309,974)	(49,322)	>100.0
Net change in fair value of investments designated at fair value through profit or loss	(ii)(a)	(11,942)	2,537	n.m.
Write-back of impairment on loan to an equity-accounted investee		16,207	-	n.m.
Gain on disposal of interests in equity-accounted investees	(iii)	-	136,582	(100.0)
		<u>(305,709)</u>	<u>89,995</u>	n.m.

- (i) On 17 July 2020, an indirect wholly-owned subsidiary of the Group entered into a sale and purchase agreement for the sale of U.S. Bank Tower at a sale consideration of US\$430.0 million (approximately S\$597.2 million as at 30 June 2020). Accordingly, fair value loss of \$310.0 million was recognised in 1H 2020 based on the difference between the sale consideration and the book value of U.S. Bank Tower as at 31 December 2019.

- (ii) This relates to net change in marked-to-market fair value of:
- investments designated at fair value through profit or loss which include investments in equity securities and interests in mutual funds; and
 - investments at fair value through other comprehensive income which include investments in equity securities that are not held-for-trading and interests in limited partnerships.

- (iii) In 2019, the gain on disposal of interests in equity-accounted investees mainly pertained to the \$136.6 million gain on disposal of the Group's entire equity stake in Aquamarina Hotel Private Limited ("AHPL") in April 2019.

1 (a)(ii) Explanatory Notes to Statement of Comprehensive Income

G) (Loss)/Profit before tax

	Half year ended 30/06/20 \$'000	Half year ended 30/06/19 \$'000	Change %
(Loss)/Profit before tax is stated after charging/(crediting):			
- Depreciation of property, plant and equipment	23,465	2,889	>100.0
- Depreciation of right-of-use assets	415	22,833	(98.2)
- Amortisation of intangible assets	-	115	(100.0)
- Allowance for impairment on trade and other receivables	-	9,452	(100.0)
- Bad debts written off	-	3	(100.0)
- Loss/(Gain) on disposal of property, plant and equipment	38	(1,958)	n.m.

H) Tax credit/(expense)

	Half year ended 30/06/20 \$'000	Half year ended 30/06/19 \$'000	Change %
The charge for income tax credit/(expense) includes the following:			
- Overprovision of current tax in respect of prior years	(82)	(1,787)	(95.4)
- Overprovision of deferred tax in respect of prior years	-	(1,221)	(100.0)

The tax credit in 1H 2020 mainly arose due to the reversal of approximately \$70.3 million deferred tax expenses previously recognised on the fair value gain on U.S. Bank Tower.

n.m.: Not meaningful

1(b)(i) Statements of Financial Position

	Notes	The Group		The Company	
		30/06/20 \$'000	31/12/19 \$'000	30/06/20 \$'000	31/12/19 \$'000
ASSETS					
Current assets					
Cash and cash equivalents		335,874	477,712	63,918	195,805
Trade and other receivables		204,174	292,381	1,065,824	1,098,183
Inventories		1,078	1,272	199	269
Other investments		68,332	76,755	-	-
Development properties	A	65,041	152,380	-	-
Other assets		89,661	64,836	5,780	2,876
Loans to subsidiaries		-	-	1,605,486	1,678,156
Assets held for sale	B	597,227	100,001	-	-
		<u>1,361,387</u>	<u>1,165,337</u>	<u>2,741,207</u>	<u>2,975,289</u>
Non-current assets					
Intangible assets and goodwill		41,751	41,658	-	-
Interests in equity-accounted investees	C	958,789	921,614	-	-
Investments in subsidiaries		-	-	811,003	811,003
Loans to subsidiaries		-	-	240,627	227,097
Other investments		122,642	134,465	-	-
Other assets		4,183	4,178	1,019	1,019
Investment properties	D	5,777,572	6,628,427	-	-
Property, plant and equipment	E	1,893,302	1,774,343	7,732	7,801
Right-of-use assets		52,534	53,373	669,227	676,332
Deferred tax assets		614	11,105	636	-
		<u>8,851,387</u>	<u>9,569,163</u>	<u>1,730,244</u>	<u>1,723,252</u>
Total assets		10,212,774	10,734,500	4,471,451	4,698,541
LIABILITIES					
Current liabilities					
Trade and other payables		189,339	203,723	134,167	166,155
Borrowings	F	719,689	1,309,892	105,000	299,840
Provision		28,774	29,661	-	-
Loan from a subsidiary		-	-	283,763	283,763
Current tax liabilities		41,294	37,019	4,696	4,547
Deferred income	G	13,600	32,808	1,757	-
Lease liabilities		607	518	25,001	21,460
Derivative liabilities	H	4,088	2,751	-	-
		<u>997,391</u>	<u>1,616,372</u>	<u>554,384</u>	<u>775,765</u>
Non-current liabilities					
Borrowings	F	3,091,060	2,679,731	180,279	153,607
Deferred income	G	1,505	1,924	-	-
Deferred tax liabilities	I	158,140	222,517	618	131
Other payables		53,145	56,665	407	410
Lease liabilities		25,535	25,586	709,572	716,231
Derivative liabilities	H	46,196	14,560	-	-
		<u>3,375,581</u>	<u>3,000,983</u>	<u>890,876</u>	<u>870,379</u>
Total liabilities		4,372,972	4,617,355	1,445,260	1,646,144
Net Assets		5,839,802	6,117,145	3,026,191	3,052,397
EQUITY					
Share capital		693,315	693,315	693,315	693,315
Other reserves		(253,339)	(250,270)	(167,044)	(166,023)
Accumulated profits		3,385,185	3,630,251	2,499,920	2,525,105
Equity attributable to owners of the Company		3,825,161	4,073,296	3,026,191	3,052,397
Non-controlling interests		2,014,641	2,043,849	-	-
Total equity		5,839,802	6,117,145	3,026,191	3,052,397

Notes:

A) "Development properties" decreased by \$87.3 million due to completion of sale of OUE Twin Peaks units sold under deferred payment schemes.

B) As at 30 June 2020, "Assets held for sale" represented the carrying value of U.S. Bank Tower based on its sale consideration of US\$430.0 million.

As at 31 December 2019, "Assets held for sale" represented approximately 4.0% equity stake of Gemdale. The sale was completed on 14 January 2020. The Group retains approximately 23.8% equity stake in Gemdale subsequent to the sale and Gemdale remains as an equity-accounted investee of the Group.

C) "Interests in equity-accounted investees" increased by \$37.2 million mainly due to recognition of the share of results of Gemdale in the current year.

D) "Investment properties" decreased by \$850.9 million mainly due to the fair value loss recognised on U.S. Bank Tower and the reclassification of U.S. Bank Tower to "Assets held for sale" as at 30 June 2020. Refer to (B) above.

E) "Property, plant and equipment" increased by \$119.0 million mainly due to the acquisition of land in South Jakarta, Indonesia. The land acquisition was completed in June 2020.

F) "Borrowings" decreased by \$178.9 million mainly due to the redemption of the \$300 million unsecured notes in April 2020; and was partially offset by drawdown of borrowings.

G) "Deferred income" relates to the non-refundable deposits received from the OUE Twin Peaks units sold under deferred payment schemes. Revenue from units sold under deferred payment schemes are deferred and will be recognised on completion of the sale of each respective unit.

H) "Derivative liabilities" mainly relate to the fair value of the interest rate swaps entered into to hedge the Group's exposure to floating interest rates on its borrowings.

I) "Deferred tax liabilities" decreased by \$64.4 million mainly due to reversal of deferred tax liabilities previously recognised on the fair value gain recognised on U.S. Bank Tower.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at 30/06/20			As at 31/12/19		
	Secured \$'000	Unsecured \$'000	Total \$'000	Secured \$'000	Unsecured \$'000	Total \$'000
Amount repayable in one year or less, or on demand	464,542	255,147	719,689	860,021	449,871	1,309,892
Amount repayable after one year	1,518,027	1,573,033	3,091,060	1,156,158	1,523,573	2,679,731
	<u>1,982,569</u>	<u>1,828,180</u>	<u>3,810,749</u>	<u>2,016,179</u>	<u>1,973,444</u>	<u>3,989,623</u>

Details of any collateral

Secured borrowings are collateralised by:

- pledging of the borrowing companies' properties/assets and/or
- assignment of all rights and benefits to sale, lease and/or insurance proceeds with respect to the properties

1(c) Consolidated Statement of Cash Flows

	The Group	
	Half year ended 30/06/20 \$'000	Half year ended 30/06/19 \$'000
Cash flows from operating activities		
(Loss)/Profit after tax	(186,352)	84,208
Adjustments for:		
Depreciation of property, plant and equipment	23,465	2,889
Depreciation of right-of-use assets	415	22,833
Amortisation of intangible assets	-	115
Reversal of impairment loss on a development property	-	(198)
Net change in fair value of investment properties	309,974	49,322
Net change in fair value of investments designated at fair value through profit or	11,942	(2,537)
Write-back of impairment on loan to an equity-accounted investee	(16,207)	-
Gain on disposal of interests in equity-accounted investees	-	(136,582)
Gain on disposal of property, plant and equipment	38	(1,958)
Finance expenses	69,516	94,969
Finance income	(16,390)	(7,402)
Share of results of equity-accounted investees, net of tax	(63,806)	(29,848)
Tax (credit)/expense	(47,427)	21,574
	<u>85,168</u>	<u>97,385</u>
Changes in:		
- trade and other receivables and other assets	(42,575)	(42,926)
- inventories	194	(126)
- development properties	87,339	140,864
- trade and other payables and provision	(26,152)	(10,048)
- deferred income	(19,627)	(31,392)
Cash generated from operations	<u>84,347</u>	<u>153,757</u>
Tax paid	<u>(6,231)</u>	<u>(14,063)</u>
Net cash from operating activities	<u>78,116</u>	<u>139,694</u>
Cash flows from investing activities		
Acquisition of interests in equity-accounted investees	(25,387)	(207,777)
Acquisition of other investments	(29,116)	(51,756)
Additions to property, plant and equipment	(14,838)	(3,611)
Additions to investment properties	(10,888)	(16,023)
Dividends from:		
- equity-accounted investees, net of tax	59,351	39,420
- other investments, net of tax	159	845
Interest received	3,051	3,596
Loans to equity-accounted investees	(4,616)	-
Proceeds from repayment of loan from an equity-accounted investee	16,207	-
Proceeds from sale of other investments	32,412	200,000
Proceeds from disposal of interests in equity-accounted investees	100,001	191,361
Proceeds from disposal of property, plant and equipment	62	1,972
Net cash from investing activities	<u>126,398</u>	<u>158,027</u>

	The Group	
	Half year ended 30/06/20 \$'000	Half year ended 30/06/19 \$'000
Cash flows from financing activities		
Acquisition of non-controlling interests	(30)	-
Contribution from non-controlling interests	160	-
Dividends paid	(82,868)	(131,274)
Finance expense paid	(64,566)	(59,845)
Proceeds from borrowings	701,585	140,984
Repayment of borrowings	(899,393)	(373,888)
Principal repayment of leases	(219)	(16,522)
Repurchase of own shares	(1,021)	-
Changes in pledged deposits	(204)	13
Net cash used in financing activities	(346,556)	(440,532)
Net decrease in cash and cash equivalents	(142,042)	(142,811)
Cash and cash equivalents at the beginning of the financial period	439,437	401,136
Cash and cash equivalents at the end of the financial period¹	297,395	258,325

¹ Cash and cash equivalents as at 30 June 2020 exclude the Group's pledged deposits of \$38,479,000 (31/12/19: \$38,275,000).

Significant non-cash transaction

In June 2020, the Group completed the acquisition of a land parcel located in South Jakarta, Indonesia for a total consideration of IDR1,316,250 million (approximately S\$132.3 million). A refundable deposit of IDR162,928.8 million was paid in 2018 through the utilisation of promissory notes and IDR 1,117,788.8 million (approximately S\$110.7 million) of the remaining purchase consideration was settled via the utilisation of promissory notes in the current financial period.

OUE LIMITED
Half Year Ended 30 June 2020

1(d)(i) Statement of Changes in Equity

	Attributable to Owners of the Company				Non-controlling	
	Share Capital	Other Reserves	Accumulated Profits	Total	Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
THE GROUP						
At 1 January 2020	693,315	(250,270)	3,630,251	4,073,296	2,043,849	6,117,145
Total comprehensive income for the period						
Loss for the period	-	-	(207,163)	(207,163)	20,811	(186,352)
Other comprehensive income						
Foreign operations:						
- currency translation differences	-	26,164	-	26,164	6,178	32,342
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	-	(1,420)	-	(1,420)	-	(1,420)
- other reserves	-	(99)	-	(99)	-	(99)
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	(4,789)	-	(4,789)	-	(4,789)
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	-	(15,409)	-	(15,409)	(17,905)	(33,314)
- hedging reserve reclassified to profit or loss	-	23	-	23	25	48
Total other comprehensive income, net of tax	-	4,470	-	4,470	(11,702)	(7,232)
Total comprehensive income for the period	-	4,470	(207,163)	(202,693)	9,109	(193,584)
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Own shares acquired	-	(1,021)	-	(1,021)	-	(1,021)
Dividends paid	-	-	(45,031)	(45,031)	(37,837)	(82,868)
Total contributions by and distributions to owners	-	(1,021)	(45,031)	(46,052)	(37,837)	(83,889)
Changes in ownership interests in subsidiaries						
Changes in ownership interests in subsidiaries without change in control	-	-	610	610	(480)	130
Total changes in ownership interests in subsidiaries	-	-	610	610	(480)	130
Total transactions with owners	-	(1,021)	(44,421)	(45,442)	(38,317)	(83,759)
Share of reserves of an equity-accounted investee	-	2,510	(2,510)	-	-	-
Transfer from revaluation reserves to accumulated profits	-	(9,028)	9,028	-	-	-
At 30 June 2020	693,315	(253,339)	3,385,185	3,825,161	2,014,641	5,839,802

OUE LIMITED
Half Year Ended 30 June 2020

	Attributable to Owners of the Company				Non-controlling	
	Share Capital	Other Reserves	Accumulated Profits	Total	Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
THE GROUP						
At 31 December 2018, as previously reported	693,315	(186,155)	3,431,245	3,938,405	1,200,802	5,139,207
Effect of adopting SFRS(I) 16	-	-	(67,673)	(67,673)	-	(67,673)
At 1 January 2019, as restated	693,315	(186,155)	3,363,572	3,870,732	1,200,802	5,071,534
Total comprehensive income for the period						
Profit for the period	-	-	61,890	61,890	22,318	84,208
Other comprehensive income						
Foreign operations:						
- currency translation differences	-	(9,937)	-	(9,937)	273	(9,664)
Share of other comprehensive income of equity-accounted investees:						
- currency translation differences	-	(7,532)	-	(7,532)	-	(7,532)
- other reserves	-	2,651	-	2,651	-	2,651
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	149,586	-	149,586	-	149,586
Cash flow hedges:						
- effective portion of changes in fair value of cash flow hedges	-	(2,038)	-	(2,038)	(1,891)	(3,929)
- hedging reserve reclassified to profit or loss	-	(201)	-	(201)	(176)	(377)
Total other comprehensive income, net of tax	-	132,529	-	132,529	(1,794)	130,735
Total comprehensive income for the period	-	132,529	61,890	194,419	20,524	214,943
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid	-	-	(108,182)	(108,182)	(23,092)	(131,274)
Total contributions by and distributions to owners	-	-	(108,182)	(108,182)	(23,092)	(131,274)
Changes in ownership interests in subsidiaries						
Changes in ownership interests in subsidiaries without a change in control	-	-	137	137	(137)	-
Total changes in ownership interests in subsidiaries	-	-	137	137	(137)	-
Total transactions with owners	-	-	(108,045)	(108,045)	(23,229)	(131,274)
Transfer from fair value reserve to accumulated profits	-	(183,962)	183,962	-	-	-
At 30 June 2019	693,315	(237,588)	3,501,379	3,957,106	1,198,097	5,155,203

OUE LIMITED
Half Year Ended 30 June 2020

	Share Capital	Other Reserves	Accumulated Profits	Total Equity
	\$'000	\$'000	\$'000	\$'000
THE COMPANY				
At 1 January 2020	693,315	(166,023)	2,525,105	3,052,397
Total comprehensive income for the period				
Profit for the period	-	-	19,846	19,846
Total comprehensive income for the period	-	-	19,846	19,846
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Own shares acquired	-	(1,021)	-	(1,021)
Dividends paid	-	-	(45,031)	(45,031)
Total transactions with owners of the Company	-	(1,021)	(45,031)	(46,052)
At 30 June 2020	693,315	(167,044)	2,499,920	3,026,191
At 31 December 2018, as previously reported	693,315	(41,983)	2,436,396	3,087,728
Effect of adopting SFRS(I) 16	-	-	(53,468)	(53,468)
At 1 January 2019, as restated	693,315	(41,983)	2,382,928	3,034,260
Total comprehensive income for the period				
Profit for the period	-	-	231,290	231,290
Other comprehensive income				
Net change in fair value of investments at fair value through other comprehensive income, net of tax	-	45,960	-	45,960
Total other comprehensive income, net of tax	-	45,960	-	45,960
Total comprehensive income for the period	-	45,960	231,290	277,250
Transactions with owners of the Company, recognised directly in equity				
Contributions by and distributions to owners of the Company				
Dividends paid	-	-	(108,182)	(108,182)
Total transactions with owners of the Company	-	-	(108,182)	(108,182)
Transfer from fair value reserve to accumulated profits	-	(170,000)	170,000	-
At 30 June 2019	693,315	(166,023)	2,676,036	3,203,328

- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Issued Share Capital

There is no change in the Company's share capital in 2020.

Convertible Bonds

The Company has the following convertible bonds which remain outstanding as at 30 June 2020:

Principal Amount \$'000	Year of Maturity	Conversion Price \$	No. of ordinary shares convertible into
154,750	2023	1.855	83,423,181

There has been no conversion of the convertible bonds since the date of issue.

The number of ordinary shares that may be issued, assuming the convertible bonds are fully converted based on the above conversion price, would be 83,423,181 (31/12/19: 79,970,027).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 30 June 2020, the Company's total number of issued shares excluding treasury shares is 900,611,660 (31/12/19: 901,515,860).

As at 30 June 2020, the Company held 80,990,200 (31/12/19: 80,086,000) treasury shares.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Item No. 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2019.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on 1 January 2020. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	30/06/20	30/06/19
Weighted average number of ordinary shares in issue		
- basic	901,020,208	901,515,860
- diluted*	901,020,208	981,485,887
Basic earnings per share (cents)	(22.99)	6.87
Diluted earnings per share (cents) **	(22.99)	6.46

* For computation of diluted earnings per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect arising from the conversion of all the outstanding convertible bonds to potential ordinary shares.

** For 1H 2020, the diluted earnings per share is the same as basic earnings per share as the potential shares arising from the conversion of the convertible bonds would be anti-dilutive.

7 Net asset value (for the issuer and group) per ordinary share based on issue share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	30/06/20	31/12/19	30/06/20	31/12/19
Number of issued shares (excluding treasury shares)	900,611,660	901,515,860	900,611,660	901,515,860
Net asset value per ordinary share (\$)	4.25	4.52	3.36	3.39

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

FINANCIAL HIGHLIGHTS	1H 2020 \$'000	1H 2019 \$'000	Change %
Revenue	311,416	432,607	(28.0)
Earnings before interest and tax (EBIT)	125,056	103,354	21.0
Profit attributable to Owners of the Company	(207,163)	61,890	n.m.

Revenue

The Group recorded revenue of \$311.4 million in 1H 2020 (1H 2019: \$432.6 million). The decrease was due to lower contribution across most business divisions; and was partially mitigated by higher revenue from the investment properties division and government grant received.

Investment Properties Division

Revenue from the investment properties division increased by \$2.6 million to \$141.6 million in 1H 2020 (1H 2019: \$139.0 million). The increase was mainly due to the inclusion of revenue contribution from Mandarin Gallery; partially offset by rental rebates granted to tenants.

Hospitality Division

Revenue from the hospitality division decreased by \$61.1 million to \$49.6 million in 1H 2020 (1H 2019: \$110.7 million). The sharp decrease in revenue was mainly due to the overall decline in room occupancy and banquet sales as a result of travel restrictions and various measures put in place by the Singapore Government since March 2020 in response to the COVID-19 pandemic. The decrease in hospitality revenue was also due to absence of contribution from the serviced apartments at OUE Downtown, which was disposed in November 2019.

Development Property Division

Revenue from the development property division was \$98.5 million (1H 2019: \$158.3 million). Revenue recognised pertained to completion of certain OUE Twin Peaks units sold under deferred payment schemes.

Healthcare Division

Revenue from the healthcare division pertains to revenue contribution from OUE Lippo Healthcare Limited and First REIT Management Limited ("FRMPL"). The marginal decrease in revenue was due to lower management fees earned by FRMPL as a result of lower revenue recorded by First Real Estate Investment Trust.

Consumer Division

Revenue from the consumer division comprises mainly the contribution from OUE Skyspace LA, the observation deck at U.S. Bank Tower as well as food and beverages operations of the Group. Revenue decreased by \$4.2 million to \$5.1 million (1H 2019: \$9.3 million) mainly due to lower revenue from OUE Skyspace LA arising from mandatory closure since mid-March 2020 imposed by the authorities in the United States.

EBIT

EBIT increased by \$21.7 million to \$125.1 million in 1H 2020 (1H 2019: \$103.4 million). The increase was mainly attributed to higher contribution from equity-accounted investees; and partially offset by lower contribution across business divisions.

Profit attributable to owners of the Company

In 1H 2020, the Group recorded a loss attributable to shareholders of \$207.2 million. The loss was mainly due to the fair value loss of \$310.0 million recognised on U.S. Bank Tower and weaker operating performance of the businesses in light of the COVID-19 pandemic.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Based on advance estimates, the Singapore economy contracted by 12.6% on a year-on-year basis in the second quarter of 2020¹, due to the circuit breaker measures that were implemented from 7 April 2020 to 1 June 2020. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy shrank by 41.2% in the second quarter. The Singapore Ministry of Trade and Industry (MTI) revised Singapore's GDP forecast for 2020 to -7.0% to -4.0%² in view of deterioration in the external demand outlook for Singapore as well as the economic impact of the circuit breaker measures.

Tourist arrivals dropped 65.7%³ from January 2020 to May 2020 due to restrictions on inbound short-term visitors to Singapore. Despite muted hotel supply, the hospitality business is expected to face significant challenges in the near-term in view of lower travel confidence, travel restrictions and cancellation of major events that were scheduled to take place in 2020.

Grade A CBD core office rents decreased 3.0% quarter-on-quarter in 2Q 2020 to S\$11.15 psf per month⁴, with vacancy levels increasing by 0.98% quarter-on-quarter. With subdued demand in the current economic conditions, occupancy levels and rents are likely to remain under pressure.

In Shanghai, while CBD Grade A office occupancy remained stable in 2Q 2020, rents declined 4.3% quarter-on-quarter to RMB9.28 psm per day⁵. The rental outlook is expected to be subdued given the significant office supply in the medium term.

COVID-19 business updates

Investment properties division

In light of the pandemic, the Group has provided various tenant support measures in 1H 2020. This included providing rental rebates to eligible tenants, passing on in full the property tax rebates provided by the Singapore Government and assistance schemes such as flexible payment, rental deferrals and rental reduction to eligible tenants. Operating performance of offices is expected to remain resilient but retail segment is expected to remain challenging.

Hospitality division

Towards end-April 2020, occupancies for Mandarin Orchard Singapore and Crowne Plaza Changi Airport are supported by demand from foreign workers affected by border closures as well as stay-home-notice guests. Under Phase 2 of the Circuit Breaker, the Singapore Government has permitted the resumption of hotel bookings for leisure purposes. The two hotel properties under the Group's portfolio have obtained approval by the relevant authorities to re-open for leisure guests accommodations. This is expected to further support the hotel demand.

Overall

The Group has sufficient liquidity to meet its near-term debt obligations and operational needs. In June 2020, the Group secured a \$100 million committed facility. In addition, the expected completion of the U.S. Bank Tower disposal in September 2020 will enable the Group to substantially increase its cash reserves, improve its net gearing by paring down existing debts and remain nimble in the current uncertain global economic climate. No interim dividend is declared for 1H 2020 to conserve cash in current uncertain market conditions. The Group will continue to exercise prudence in non-essential capital and operating expenditure.

¹ Singapore Ministry of Trade and Industry Press Release, 14 July 2020

² Singapore Ministry of Trade and Industry Press Release, 26 May 2020

³ Singapore Tourism Board, International Visitor Arrival Statistics, 3 July 2020

⁴ CBRE, Singapore MarketView 2Q 2020

⁵ Colliers International, Shanghai Office Property Market Overview, 2Q 2020

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared/proposed for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of dividend	Interim
Dividend type	Cash
Dividend per share	1 cent
Tax rate	Tax exempt (one-tier)

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for any Interested Person Transactions.

14 Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

BRIAN RIADY
DEPUTY CHIEF EXECUTIVE OFFICER AND NON-INDEPENDENT EXECUTIVE DIRECTOR
4 August 2020

15 Negative confirmation pursuant to Rule 705(5) of the Listing Manual

Pursuant to SGX-ST Rule 705(5), the Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results of the Company and the Group for the half year ended 30 June 2020 to be false or misleading.

On behalf of the Board of Directors

Dr Stephen Riady
Executive Chairman and
Group Chief Executive Officer

Mr Brian Riady
Deputy Chief Executive Officer and
Non-Independent Executive Director